(d) whether the RBI or Parliamentary Committee expressed displeasure over the functioning of these banks and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM): (a), (b) and (d) No, Sir.

(c) Does not arise.

Letting Out of Vacant Buildings by LIC

1223. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Corporation of India has a large number of buildings all over the country where vacant areas are let out periodically;

(b) if so, the details or real state properties indicating the area occupied by the LIC and available for rent separately;

(c) whether the LIC had explored possibilities of letting out such space first to Government Department or PSU's before renting out to private parties;

(d) whether the rent deeds include escalation clause periodically and vacation of premises after rented period; and

(e) whether any dispute about non-receipt of rent from private parties or non-vacation of premises are pending with the LIC?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. LIC have intimated that they have a large number of buildings all over India, wherein vacant areas are let out from time to time. The total area occupied by LIC is 1,56,67,267 sq. ft. and area already let out is 65,97,296 sq. ft. and a further 7,31,77 sq. ft. area is available for letting out, for which processing is being done.

(c) and (d) As intimated by LIC, a well laid down procedure is followed for letting out vacant premises. This includes proactive approach as well as advertisements in prominent local dailies having large circulations. While letting out premises, emphasis is laid on getting market rent/near market rent. Space is rented out to Government Departments and PSUs also, depending upon their need. The lease deed includes escalation clause for

periodical revision of rent and also the provisions for getting the premises vacated after expiry of lease period.

(e) LIC has reported that presently there are some cases pending before the Estate Officers and in different Courts.

Improvement in productivity of PSU banks

1224. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the business conducted by flagship, PSU, State Bank of India is only nine times bigger than that of the flagship private banks HDFC, whereas the staff strength of SBI is 36 times bigger than that of HDFC;

(b) if so, whether any study has been made of this fairly large gap between the PSU Bank and the private bank; and

(c) whether Government propose to impress upon the PSU Banks to improve their productivity by way of increase in generating business and fixing annual targets for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM): (a) and (b) Yes, Sir. As per the available market data, the total business of the State Bank of India (SBI) is approximately 9 times that of HDFC Bank. But, SBI is 26 times bigger than the HDFC Bank with 9039 branches (as on 31.3.2004) as compared to 357 branches of HDFC Bank whose many of the activities are outsourced. Also, as many as 71.77% of the branches of the SBI are in rural and semi-urban areas discharging its social responsibility in propagation of labour intensive social banking including, implementation of Government sponsored poverty alleviation schemes, which are not cost rumunerative.

(c) All the Public Sector Banks (PSBs) including the SBI enjoy operational autonomy setting their own annual targets for all its branches for growth in business which has been improving every year. In fact, the business per employee of the PSBs during last four years has been increasing as follows: